MEETING OF THE SOUTH CAROLINA
STIMULUS OVERSIGHT, ACCOUNTABILITY AND COORDINATION
TASK FORCE
Room 504 – Blatt Building

April 9, 2009

I. Call to Order and Adoption of Proposed Agency

Meeting was opened with remarks by Comptroller General Richard Eckstrom. He thanked everyone for their time and their willingness to participate. He stated that the Task Force established by the Governor's Executive Order faces a number of challenges.

The proposed agenda was adopted and the meeting came to order.

II. Task Force Organization and Oversight – Comptroller General Eckstrom

Comptroller General Eckstrom noted the following:

- The task that lies ahead is daunting and cannot be done without the coordinated efforts of all of the agencies receiving stimulus funding.

- We will need a broad spectrum of people/agencies working together to accomplish our goals/responsibilities.

- The reporting responsibilities that have been imposed through the American Recovery and Reinvestment Act (ARRA) have not yet been fully assigned or defined by the federal agencies that will disburse ARRA funds.

- We have meet with federal officials but there are still many uncertainties on how money will be distributed, tracked, and reported, and once reported, at the federal level, how the reporting data will be presented to the public.

- The federal government is insistent that the spending of ARRA funds must occur within a tightly controlled environment, that program requirements that currently exist not be set aside, and that there will likely be additional requirements imposed on the recipients of this money.

- OMB has emphasized front end controls to a greater degree than the Comptroller has ever seen for any federal revenue. The federal government has made it clear that this money must be spent in a controlled way and that audit resources are available to verify and ensure that there has been no misuse of this money.

- The GAO has been firm, assuring the states the Inspector-Generals from federal agencies that distributed the revenues to the state, will all be coming in and doing their own work; but at the same time the Federal Government expects states to establish their own audit functions over these stimulus dollars.

- Federal government agencies will require more reporting data in connection with stimulus spending than has ever been the case with previous federal programs.

- There will be program effectiveness measures and performance measures

- The Task Force members are representing the agencies that will be receiving the bulk of the money in SC and who will be handling this money.

- We as a group have the responsibility of tracking these funds.

Comptroller General Eckstrom asked Nat Kaminski, Chief of Staff for the Comptroller General's office, to briefly discuss the relevant legislation.

III. American Recovery and Reinvestment Act Overview – Nat Kaminski, Jr.

Mr. Kaminski briefly discussed ARRA legislation.

- This is a massive and complex piece of legislation that tacks together a number of appropriations and supplemental bills.

- The federal legislation appropriating the stimulus money has imposed additional reporting and tracking requirements over and above the state and federal regulations that are already in place.

- Our office has been focusing on the base line reporting requirements which are found in section 1512 of Part A of the Act. Reporting is only required for discretionary appropriations

- Tracking and reporting details will be spelled out and determined by OMB and included in the various terms and conditions of the ARRA grants, agreements, and loans.

- Mandatory or entitlement programs are not covered under the above requirements but there may be additional requirements.

- Section 1512, among other things, requires agencies to report the program effectiveness measures and performance measures on a quarterly basis.

To view the American Recovery and Reinvestment Act, go to the Comptroller General's Website http://www/cg/sc/gov or http://www.stimulus.sc.gov

The Comptroller also pointed out the reporting requirements in the Act is a partial list. In a telephone conversation with federal officials yesterday, it was stated there will be additional guidance provided concerning the reporting requirements contained in ARRA.

The Comptroller briefly discussed the Davis Bacon Act and the Buy American Act.

This is very much a work in progress. The ARRA funding will be around for several years and the State will need to be flexible as additional guidance comes in, some of which will be conflicting.

Comptroller General Eckstrom asked Jennifer Muir, Deputy Comptroller General, to discuss the current reporting requirements.

IV. ARRA Reporting and Guidance – Jennifer Muir – Deputy Comptroller General

As the central state accounting department, the Comptroller's office began following the reporting guidelines of the American Recovery and Reinvestment Act of 2009 early on.

- The Recovery Act creates unique reporting requirements beyond standard reporting required today.

- Section 1512 of the Recovery Act establishes base reporting guidelines. These guidelines allow flexibility to the state to determine whether a central point within the state will be responsible for submitting the required reports or whether to have individual state agencies report. The state should, however, assign a responsible office to oversee Section 1512 data collection to ensure quality, completeness and timeliness of data submissions. There is no reporting responsibility at the state level when the state is not the prime recipient (i.e. funds that go directly to a locality).

- Office of Management and Budget issued preliminary guidance on 2/18/09 containing critical action steps for federal agencies to meet transparency and accountability objectives of the Recovery Act, including requirements to provide spending and performance data to Recovery.gov website.

- OMB issued more detailed guidance on 4/3/09. Once again, the majority of the guidance is directed at federal agencies with portions relating to recipients. Some noteworthy recipient reporting guidance include, recipient reporting be collected centrally at the federal level as required by Section 1512 of the ARRA. However, individual federal agencies may also issue guidance to recipients. Additional guidance to recipients is expected within the next couple of weeks.

- Law sets10/10/09 as the initial reporting date for prime recipients of stimulus funds. OMB guidance establishes an initial reporting date of 7/10/09. However, this will be limited reporting (dry run to work out kinks) since they will not have the federal reporting centralized by 7/10.

Comptroller General Eckstrom requested Scott Houston, the IT Director for the Comptroller General's Office, to discuss the design of the website for the ARRA reporting:

V. Website – Scott Houston – IT Director

- Some of the complexities of this federal legislation have been mentioned by others. Those complexities make it difficult to provide content for a website.

- At this point there is not a lot of guidance to states – most of the guidance has been directed to federal agencies disbursing the stimulus funds.

- In order to ensure maximum transparency and accountability, we have set up a central website for the State: http://www.stimulus.sc.gov

- We want to use it to include state plans and reports as required by the Act. Also, this website will be used it to highlight state agency and program plans and activities.

- To date, we have linked to certain federal sites that have information applicable to South Carolina. For example, we have links to transportation data, energy data, public housing and others. We know we don't have all links that might prove useful and informative. The Task Force agencies can help identify programs, etc. that can be posted to the central website or those we can link to. Examples include information pertaining to various grants and enhanced stimulus funding that will be available.

- E-mail address: shouston@cg.sc.gov

The Comptroller added that we are going to be dependent on each agency to keep us informed and to provide as much information as possible to be included on a single state website.

Questions were addressed about how to transmit information to the central website through e-mail to Scott Houston.

In response to a question about recovering administrative costs imposed by these new reporting requirements, the Comptroller noted that this same question was asked at a recent White House briefing and there was no clear information provided at that time. But OMB is trying to determine how the federal government might allocate some stimulus funds to cover expenses that state government will incur for reporting. Further information about this will be forthcoming.

The Comptroller emphasized how important it was that each agency's finance staff continues to work closely with the accounting staff in the Comptroller's Office to insure that spending detail of these federal funds is captured. Specific and unique codes have been set up for the agencies receiving stimulus funding. We must make sure the information about how these stimulus dollars are spent is captured correctly.

General George Patrick will be working as a liaison between CG's office and other agencies to keep our efforts moving forward. You can reach Gen. Patrick at 734-2699.

The Comptroller then asked the Task Force to establish the following working groups to assist in coordinating the Task Force oversight responsibilities:

VI. Working Groups

- Accounting
- Website
- Audit/Verification
- Reporting
- Guidance Review and Summary

Task Force members agreed to assign staff to these working groups as follows:

STIMULUS TASK FORCE WORKING GROUPS

ACCOUNTING	AUDIT/ VERIFICATION	GUIDANCE REVIEW AND SUMMARY	REPORTING	WEBSITE
Budget Office	Auditor's Office	Auditor's Office	Budget Office	Health & Human Ser.
Dept. of Commerce	Dept. of Education	Budget & Control Bd.	Dept. of Commerce	Housing Authority
Dept. of Education	Health & Env. Control	Dept. of Education	Dept. of Education	Dept. of Natural Res.
Governor's Office	SLED	SLED	Energy Office	
Health & Human Ser.	Dept. of Social Serv.	Health & Human Ser.	Housing Authority	
Treasurer's Office			Treasurer's Office	

(See contact information on last page)

It was agreed that the next date for a Task Force meeting will be announced later after coordination with Task Force members and working groups.

Comptroller General Eckstrom stated that it is an honor to work with each of the Task Force members as we move forward. The data that the Task Force reports on is only going to be as reliable and useful as we make it. So it is a tremendous responsibility resting on our shoulders collectively and individually. The Comptroller thanked each Task Force member for their willingness to serve on this Task Force and to serve, in an additional way, the people of our State.

VII. No other business

VIII. Meeting adjourned

STIMULUS TASK FORCE WORKING GROUPS CONTACTS

Name	Agency	Telephone #
Rich Gilbert	Auditor's Office	253-4160 x203
Frank Fusco	Budget and Control Board	734-2005
Les Boyles	Office of State Budget	734-1315
Chris Huffman	Commerce Dept.	737-0462
Betsy Carpentier	Education Dept.	734-8169
Kimberly Taylor	Energy Office	737-8036
Brenda Day	Governor's Office - O O E P	737-0534
Ron Brock	Health & Env. Control	898-3295
Emma Forkner	Health and Human Services	898-2504
Valarie Williams	Housing Authority	896-9005
Don Winslow	Natural Resources	734-3672
Steve Birnie	SLED	896-4806
Wendell Price	Social Services	898-7223
Paige Parsons	Treasurer's Office	734-9822

Note: Agencies not represented - DOT and DPS

/jh: 4-14-09